The Conference Board

*Economics Program*

**MONTHLY UPDATE TO**

# International Economic Scoreboard

**A Monthly Report from The Conference Board** **July 1990**

## LETHARGIC LEADERS

*Globally*, although the world business cycle continues to rise at a steady but unspectacular 4 percent, the 11-country leading index is flat. This suggests slower economic growth in the second half of 1990. In one respect, this pattern is deadly dull, since we have been reporting it regularly since the end of last year. Further, the persistent expansion of economic activity, coupled in most countries with not-unsatisfactory levels of employment and inflation, makes it awkward to complain very loudly about the economic outlook. Nevertheless, the continuing lethargy in the leading index is a bit discouraging.

*Nationally*, the favorable exceptions to the general pattern are West Germany and Korea, both of which are recording sturdy cyclical expansion in *both* their performance and leading indexes. The Australian leading index, which had looked ominously weak for a year, improved a bit in May, although not nearly enough to really reverse the sour economic prospects. The Taiwanese leaders are especially difficult to interpret; the index, which had been climbing rapidly, turned down sharply in March, April and May.

*Interpretation:* An important implication of the general pattern is that the outlook for continued growth in U.S. exports has become less sanguine. The latest growth rate for the leading index that coves ten countries excluding the U.S. is 2 percent. A year ago this rate was 5 percent, but it has dropped fairly steadily since then, and has been 2 percent for the past four months. This index has been a rather good prognosticator of U.S. exports, since it reflects the growth of demand in other countries. Other factors, such as exchange rates, are important, too, but the prospect of slower growth in demand adds a disquieting note to the U.S. trade picture for the period ahead.

### Summary Of Growth Rates, Eleven Industrial Countries

| | *Ten-year Growth Rate* | *Indexes of Economic Performance Growth Rates** | | | *Leading Business Cycle Indexes Growth Rates** | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *1976-86* | *6 mos ago* | *3 mos ago* | *Latest month* | *6 mos ago* | *3 mos ago* | *Latest month* | *Current Reading on the Cycle* | *Latest Month Covered* |
| | *annual rates, percent* | | | | | | | | |
| Eleven countries | 3 | 4 | 4 | 4 | 2 | 1 | 0 | Expansion continuing, leaders weak | Apr. |
| Ten countries excl. U.S. | 3 | 6 | 7 | 6 | 3 | 2 | 2 | Expansion continuing | Apr. |
| North America (2) | 3 | 2 | 1 | 1 | 1 | -1 | -3 | Expansion continuing, leaders weak | Apr. |
| Europe (4) | 2 | 6 | 7 | 6 | 1 | 1 | 2 | Expansion continuing | Apr. |
| Pacific Region (5) | 4 | 6 | 7 | 8 | 7 | 5 | 1 | Expansion continuing, leaders weak | Apr. |
| United States | 3 | 2 | 2 | 1 | 1 | -3 | 1 | Expansion continuing, leaders weak | May |
| Canada | 3 | 2 | 2 | 2 | 0 | -1 | -1 | Expansion continuing, leaders weak | Apr. |
| West Germany | 2 | 5 | 8 | 8 | 4 | 5 | 5 | Expansion continuing | May/Apr. |
| France | 2 | 8 | 8 | 6 | -1 | -4 | 2 | Expansion continuing | Apr./May |
| United Kingdom | 2 | 5 | 5 | 5 | -4 | -1 | -1 | Expansion continuing, leaders weak | Apr. |
| Italy | 2 | 5 | 6 | 6 | 2 | 1 | 1 | Expansion resuming, leaders weak | Apr./Mar. |
| Japan | 4 | 7 | 7 | 8 | 8 | 5 | 2 | Expansion continuing | May |
| Australia | 3 | 7 | 4 | 3 | -2 | -3 | -2 | Expansion continuing, leaders weak | May |
| Taiwan, R.O.C. | 8 | 6 | 3 | 2 | 8 | 15 | 3 | Expansion continuing | May |
| Korea, R.O.K. | 7 | 5 | 15 | 7 | 3 | 10 | 6 | Expansion continuing | May |
| New Zealand | 2 | -1 | 2 | 3 | 6 | 3 | -2 | Upturn resuming, leaders weak | Apr. |

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

**The Conference Board**

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## INDEXES, WORLDWIDE AND BY REGION, 1988-90

| | | 11 Countries | | 10 Countries excl. U.S. | | North America (2) | | Europe (4) | | Pacific Region (5) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 88 | 128 | 134 | 129 | 133 | 126 | 136 | 119 | 122 | 144 | 152 |
| Nov. | 88 | 128 | 135 | 130 | 133 | 126 | 136 | 120 | 122 | 146 | 153 |
| Dec. | 88 | 129 | 136 | 131 | 135 | 127 | 137 | 121 | 122 | 146 | 157 |
| Jan. | 89 | 130 | 137 | 132 | 137 | 127 | 137 | 122 | 124 | 148 | 160 |
| Feb. | 89 | 130 | 137 | 132 | 137 | 128 | 136 | 122 | 124 | 148 | 162 |
| Mar. | 89 | 131 | 138 | 134 | 137 | 128 | 137 | 123 | 124 | 151 | 160 |
| Apr. | 89 | 131 | 137 | 133 | 137 | 128 | 137 | 123 | 124 | 149 | 159 |
| May | 89 | 131 | 137 | 134 | 136 | 128 | 137 | 123 | 124 | 150 | 158 |
| June | 89 | 132 | 137 | 135 | 137 | 128 | 136 | 124 | 124 | 152 | 160 |
| July | 89 | 132 | 137 | 135 | 138 | 128 | 136 | 124 | 124 | 152 | 162 |
| Aug. | 89 | 133 | 138 | 136 | 139 | 129 | 137 | 125 | 124 | 153 | 165 |
| Sept. | 89 | 133 | 139 | 136 | 139 | 129 | 137 | 126 | 124 | 154 | 165 |
| Oct. | 89 | 133 | 139 | 137 | 139 | 129 | 137 | 126 | 124 | 154 | 165 |
| Nov. | 89 | 134 | 139 | 138 | 139 | 129 | 137 | 127 | 124 | 156 | 166 |
| Dec. | 89 | 135 | 139 | 139 | 140 | 129 | 136 | 128 | 124 | 157 | 167 |
| Jan. | 90 | 135 | 139 | 140 | 140 | 129 | 136 | 129 | 125 | 158 | 166 |
| Feb. | 90 | 136 | 138 | 140 | 140 | 130 | 134 | 130 | 125 | 159 | 167 |
| Mar. | 90 | 137 | 138 | 141 | 140 | 130 | 136 | 130 | 125 | 160 | 166 |
| Apr. | 90 | 137 | 138 | 142 | 140 | 130 | 134 | 130 | 126 | 161 | 165 |
| | | Growth Rates, Percent | | | | | | | | | |
| Oct. | 88 | 5 | 5 | 6 | 5 | 5 | 3 | 5 | 4 | 7 | 7 |
| Nov. | 88 | 5 | 5 | 6 | 5 | 4 | 4 | 6 | 4 | 7 | 7 |
| Dec. | 88 | 6 | 6 | 6 | 7 | 4 | 4 | 6 | 4 | 7 | 10 |
| Jan. | 89 | 6 | 6 | 7 | 8 | 4 | 4 | 6 | 6 | 8 | 13 |
| Feb. | 89 | 6 | 5 | 7 | 8 | 4 | 1 | 6 | 5 | 7 | 13 |
| Mar. | 89 | 6 | 5 | 7 | 6 | 4 | 3 | 6 | 4 | 10 | 10 |
| Apr. | 89 | 5 | 4 | 6 | 5 | 4 | 3 | 6 | 4 | 6 | 7 |
| May | 89 | 5 | 3 | 5 | 3 | 3 | 2 | 5 | 3 | 6 | 3 |
| June | 89 | 5 | 2 | 6 | 4 | 3 | 0 | 5 | 3 | 7 | 6 |
| July | 89 | 4 | 2 | 6 | 4 | 2 | 0 | 5 | 2 | 7 | 6 |
| Aug. | 89 | 5 | 3 | 6 | 5 | 3 | 1 | 6 | 1 | 7 | 9 |
| Sept. | 89 | 4 | 3 | 6 | 4 | 2 | 0 | 6 | 2 | 7 | 8 |
| Oct. | 89 | 4 | 2 | 6 | 3 | 2 | 1 | 6 | 1 | 6 | 7 |
| Nov. | 89 | 4 | 2 | 6 | 3 | 2 | 1 | 6 | 0 | 7 | 7 |
| Dec. | 89 | 5 | 1 | 6 | 3 | 2 | -1 | 6 | 0 | 7 | 6 |
| Jan. | 90 | 4 | 1 | 7 | 2 | 1 | 1 | 7 | 1 | 7 | 5 |
| Feb. | 90 | 5 | 0 | 7 | 2 | 2 | -3 | 7 | 1 | 7 | 5 |
| Mar. | 90 | 5 | 1 | 7 | 2 | 2 | -1 | 6 | 1 | 6 | 3 |
| Apr. | 90 | 4 | 0 | 6 | 2 | 1 | -3 | 6 | 2 | 8 | 1 |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 |

## INDEXES, ELEVEN COUNTRIES, 1988-90

| | | U.S. | | Canada | | West Germany | | France | | U.K. | | Italy | | Japan | | Australia | | Taiwan, R.O.C. | | Korea, R.O.K. | | New Zealand | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Indexes, 1980 = 100 | | | | | | | | | | | | | | | | | | | | | |
| | | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. | Perf. | Lead. |
| Oct. | 88 | 125 | 137 | 132 | 125 | 115 | 121 | 128 | 128 | 120 | 119 | 113 | 117 | 142 | 151 | 136 | 128 | 182 | 217 | 208 | 212 | 110 | 114 |
| Nov. | 88 | 125 | 138 | 132 | 125 | 116 | 121 | 130 | 128 | 121 | 120 | 113 | 118 | 143 | 152 | 137 | 129 | 185 | 219 | 208 | 215 | 110 | 115 |
| Dec. | 88 | 126 | 138 | 133 | 125 | 116 | 123 | 130 | 128 | 122 | 119 | 113 | 117 | 144 | 156 | 138 | 128 | 185 | 217 | 210 | 218 | 111 | 115 |
| Jan. | 89 | 126 | 138 | 133 | 126 | 118 | 124 | 132 | 130 | 122 | 121 | 112 | 117 | 145 | 160 | 140 | 130 | 187 | 219 | 213 | 218 | 110 | 115 |
| Feb. | 89 | 127 | 137 | 133 | 124 | 118 | 125 | 132 | 130 | 123 | 119 | 113 | 117 | 145 | 162 | 142 | 130 | 186 | 220 | 214 | 214 | 110 | 115 |
| Mar. | 89 | 127 | 138 | 134 | 125 | 118 | 126 | 133 | 130 | 123 | 119 | 112 | 117 | 149 | 160 | 142 | 131 | 188 | 225 | 214 | 218 | 110 | 116 |
| Apr. | 89 | 128 | 138 | 134 | 124 | 119 | 127 | 134 | 130 | 124 | 120 | 112 | 116 | 146 | 159 | 145 | 131 | 187 | 223 | 212 | 219 | 110 | 116 |
| May | 89 | 128 | 138 | 134 | 125 | 119 | 127 | 135 | 131 | 124 | 119 | 112 | 116 | 147 | 156 | 144 | 133 | 190 | 224 | 212 | 218 | 110 | 117 |
| June | 89 | 128 | 137 | 134 | 125 | 120 | 127 | 136 | 130 | 124 | 118 | 113 | 117 | 149 | 160 | 148 | 132 | 189 | 228 | 214 | 218 | 110 | 117 |
| July | 89 | 128 | 137 | 134 | 125 | 120 | 127 | 136 | 129 | 125 | 119 | 114 | 118 | 149 | 162 | 148 | 131 | 190 | 229 | 217 | 218 | 108 | 116 |
| Aug. | 89 | 128 | 138 | 135 | 125 | 121 | 126 | 137 | 129 | 126 | 119 | 114 | 118 | 150 | 165 | 148 | 132 | 191 | 231 | 220 | 224 | 107 | 118 |
| Sept. | 89 | 128 | 138 | 135 | 126 | 120 | 128 | 138 | 130 | 126 | 118 | 116 | 118 | 151 | 165 | 150 | 131 | 190 | 232 | 220 | 224 | 108 | 118 |
| Oct. | 89 | 128 | 138 | 135 | 125 | 121 | 128 | 139 | 129 | 126 | 117 | 116 | 118 | 152 | 166 | 149 | 130 | 192 | 232 | 221 | 220 | 109 | 120 |
| Nov. | 89 | 128 | 138 | 135 | 125 | 122 | 128 | 140 | 129 | 127 | 116 | 117 | 118 | 153 | 167 | 150 | 129 | 194 | 234 | 221 | 222 | 109 | 120 |
| Dec. | 89 | 129 | 137 | 136 | 126 | 123 | 130 | 141 | 127 | 128 | 116 | 118 | 118 | 154 | 167 | 151 | 129 | 193 | 234 | 224 | 221 | 110 | 119 |
| Jan. | 90 | 128 | 137 | 136 | 125 | 124 | 131 | 142 | 127 | 128 | 118 | 118 | 119 | 155 | 167 | 151 | 129 | 197 | 236 | 228 | 222 | 110 | 119 |
| Feb. | 90 | 129 | 135 | 136 | 125 | 125 | 132 | 142 | 126 | 128 | 117 | 119 | 118 | 156 | 167 | 150 | 129 | 193 | 247 | 235 | 231 | 111 | 118 |
| Mar. | 90 | 130 | 137 | 136 | 125 | 126 | 132 | 142 | 127 | 129 | 116 | 119 | 118 | 158 | 166 | 150 | 128 | 194 | 242 | 237 | 231 | 111 | 118 |
| Apr. | 90 | 129 | 135 | 136 | 124 | 125 | 132 | 143 | 129 | 129 | 117 | 119 | | 159 | 165 | 151 | 127 | 191 | 239 | 237 | 228 | 111 | 117 |
| May | 90 | 129 | 138 | | | 127 | | | 130 | | | | | 159 | 166 | 151 | 129 | 194 | 237 | 232 | 230 | | |
| | | Growth Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Oct. | 88 | 5 | 4 | 4 | 1 | 3 | 5 | 7 | 7 | 7 | 3 | 3 | 3 | 6 | 7 | 10 | 4 | 6 | 14 | 7 | 9 | -2 | 2 |
| Nov. | 88 | 4 | 4 | 4 | 1 | 4 | 4 | 8 | 6 | 7 | 4 | 3 | 3 | 7 | 7 | 9 | 5 | 9 | 14 | 5 | 10 | -1 | 4 |
| Dec. | 88 | 4 | 5 | 4 | 1 | 5 | 6 | 8 | 5 | 7 | 2 | 3 | 3 | 7 | 11 | 10 | 3 | 8 | 10 | 6 | 11 | 0 | 3 |
| Jan. | 89 | 5 | 4 | 4 | 1 | 6 | 7 | 9 | 7 | 6 | 4 | 1 | 2 | 7 | 14 | 11 | 5 | 9 | 10 | 7 | 9 | -1 | 3 |
| Feb. | 89 | 5 | 1 | 4 | -1 | 6 | 8 | 8 | 5 | 6 | 1 | 1 | 1 | 7 | 15 | 12 | 4 | 6 | 8 | 7 | 4 | -1 | 4 |
| Mar. | 89 | 4 | 3 | 4 | 0 | 6 | 8 | 9 | 5 | 6 | 1 | 0 | 1 | 10 | 10 | 10 | 5 | 7 | 11 | 7 | 7 | -1 | 4 |
| Apr. | 89 | 4 | 3 | 3 | -1 | 6 | 8 | 8 | 3 | 6 | 1 | 0 | -1 | 6 | 7 | 13 | 3 | 5 | 8 | 5 | 6 | -1 | 5 |
| May | 89 | 3 | 2 | 3 | 0 | 5 | 7 | 8 | 4 | 5 | 0 | 0 | -1 | 5 | 3 | 10 | 6 | 7 | 7 | 4 | 5 | 0 | 6 |
| June | 89 | 3 | 0 | 3 | 0 | 5 | 6 | 8 | 3 | 5 | -1 | 1 | 0 | 7 | 6 | 13 | 4 | 5 | 9 | 4 | 4 | -2 | 5 |
| July | 89 | 2 | 0 | 3 | 1 | 4 | 6 | 8 | 0 | 5 | -1 | 2 | 1 | 6 | 7 | 12 | 2 | 5 | 8 | 6 | 2 | -4 | 3 |
| Aug. | 89 | 3 | 1 | 3 | 1 | 6 | 4 | 8 | 0 | 5 | -1 | 3 | 3 | 7 | 10 | 11 | 3 | 5 | 9 | 8 | 7 | -5 | 4 |
| Sept. | 89 | 2 | 0 | 3 | 1 | 4 | 5 | 8 | 1 | 5 | -2 | 5 | 2 | 6 | 9 | 10 | 1 | 4 | 9 | 7 | 6 | -3 | 4 |
| Oct. | 89 | 2 | 1 | 2 | 0 | 4 | 4 | 8 | -1 | 5 | -4 | 5 | 2 | 6 | 8 | 8 | 0 | 5 | 7 | 7 | 2 | -1 | 6 |
| Nov. | 89 | 2 | 1 | 2 | 0 | 5 | 3 | 8 | -1 | 5 | -4 | 6 | 2 | 7 | 8 | 7 | -2 | 6 | 8 | 5 | 3 | 0 | 5 |
| Dec. | 89 | 2 | -1 | 2 | 2 | 6 | 6 | 8 | -3 | 5 | -4 | 8 | 1 | 7 | 7 | 7 | -3 | 4 | 7 | 8 | 1 | 2 | 4 |
| Jan. | 90 | 1 | -1 | 2 | -1 | 7 | 5 | 8 | -3 | 5 | -1 | 6 | 2 | 7 | 5 | 6 | -3 | 7 | 7 | 10 | 2 | 2 | 3 |
| Feb. | 90 | 2 | -3 | 2 | 0 | 8 | 6 | 7 | -4 | 5 | -2 | 7 | 1 | 7 | 5 | 4 | -3 | 3 | 15 | 15 | 10 | 3 | 1 |
| Mar. | 90 | 2 | -1 | 2 | 0 | 8 | 5 | 6 | -3 | 5 | -2 | 6 | 1 | 8 | 3 | 2 | -4 | 2 | 9 | 15 | 9 | 4 | 0 |
| Apr. | 90 | 1 | -3 | 2 | -1 | 6 | 5 | 6 | 1 | 5 | -1 | 6 | | 9 | 2 | 3 | -4 | -1 | 5 | 13 | 5 | 3 | -2 |
| May | 90 | 1 | 1 | | | 8 | | | 2 | | | | | 8 | 2 | 3 | -2 | 2 | 3 | 7 | 6 | | |
| | | Ten Year Annual Growth Rate, Percent | | | | | | | | | | | | | | | | | | | | | |
| 1976-86 | | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 | 3 | 8 | 8 | 7 | 7 | 2 | 2 |